

A BETTER PATH FORWARD FOR IOWA TAX REFORM

CHANGES COULD SAVE TAXPAYERS NEARLY **\$1,250 EACH YEAR**

THE PATH

If Iowa policy makers implemented additional tax reforms, the state would see an additional

\$610 MILLION
in economic growth

and taxpayers could save nearly

\$1,250 ANNUALLY

The following four revenue-neutral scenarios would generate more economic growth for the state.



LET'S BREAK THIS DOWN

1 IF:

- Personal income taxes cut to a top rate of 7.88%
- Corporate income taxes cut to a top rate of 8.64%
- Sales tax increased by just 1¢

THEN:

- **\$250 million** in economic growth in year one, taxpayers could save **\$242 annually**

2 IF:

- Iowa's 2018 tax reforms are fully implemented
- Personal income taxes cut to a top rate of 5.59%
- Corporate income taxes remain unchanged
- Sales tax increased by just 1¢

THEN:

- **\$250 million** in economic growth in year one, taxpayers could save **\$132 annually**

3 IF:

- Personal income taxes cut to a top rate of 5.5%
- Corporate income taxes cut to a top rate of 6%
- Sales tax increased by just 2.5¢

THEN:

- **\$610 million** in economic growth in year one, taxpayers could save **\$1,249 annually**

4 IF:

- Personal income taxes cut to a top rate of 5.5%
- Corporate income taxes cut to a top rate of 6%
- Eliminate \$200 million in tax credits
- Sales tax increased by just 2.1¢

THEN:

- **\$450 million** in economic growth in year one, taxpayers could save **\$1,259 annually**

ABOUT THE RESEARCH:

A Better Path Forward for Iowa Tax Reform was authored by the Economic Research Center at The Buckeye Institute. The research was conducted using a double-blind, peer reviewed dynamic scoring model developed by economists at Buckeye's Economic Research Center that shows policymakers how changes in tax and spending policies affect a state's businesses, families, economy, and revenues.



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